






**UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF ADMINISTRATIVE LAW JUDGES**

The Secretary, United States)	
Department of Housing and Urban)	
Development, on behalf of)	
)	
)	
)	HUD ALJ No.
Charging Party,)	FHEO No.: 05-11-1088-8
)	
v.)	
)	
Rockford Villa L.L.C., Laurie Holasek,)	
and Rachel Stepanek,)	
)	
)	
Respondents.)	

CHARGE OF DISCRIMINATION

I. JURISDICTION

On or about June 2, 2011,  ("Complainant ") filed a complaint with the United States Department of Housing and Urban Development ("HUD" or "the Department") alleging that Respondents Rockford Villa LLC, Laurie Holasek, sole member of Rockford Villa LLC, and Rachel Stepanek, on-site manager for the subject property, discriminated against her based on disability, in violation of the Fair Housing Act, as amended, 42 U.S.C. § 3601, *et seq.* ("the Act"). On December 8, 2011, the complaint was amended to include additional allegations, and again on April 2, 2012, to add  Complainant  significant other and roommate at the subject property, as a complainant.

The Act authorizes the Secretary of HUD to issue a Charge of Discrimination ("Charge") on behalf of an aggrieved person following an investigation and a determination that reasonable cause exists to believe that a discriminatory housing practice has occurred. 42 U.S.C. §3610(g)(1) and (2). The Secretary has delegated this authority to the General Counsel (24 C.F.R. § § 103.400 and 103.405; 76 Fed.Reg. 42462), who has redelegated to the Regional Counsel (76 Fed. Reg. 42465), the authority to issue such a charge, following a determination of reasonable cause by the Assistant Secretary for Fair Housing and Equal Opportunity or his or her designee.

The Office of Fair Housing and Equal Opportunity Region V Director, on behalf of the Assistant Secretary for Fair Housing and Equal Opportunity, has determined that reasonable

cause exists to believe that discriminatory housing practices have occurred in this case based on disability, and has authorized and directed the issuance of this Charge of Discrimination.

II. SUMMARY OF ALLEGATIONS IN SUPPORT OF THIS CHARGE

Based on HUD's investigation of the allegations contained in the aforementioned complaints and the Determination of Reasonable Cause,¹ Rockford Villa LLC, Laurie Holasek, and Rachel Stepanek (collectively "Respondents") are charged with violating the Act as follows:

A. Legal Authority

1. It is unlawful to refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford a disabled person an equal opportunity to use and enjoy a dwelling. 42 U.S.C. § 3604(f)(2); 3604(f)(3)(B); 24 C.F.R. § 100.204.
2. It is unlawful to discriminate against any person in the terms, conditions, or privileges of a dwelling, or in the provision of services or facilities in connection with such dwelling, because of the disability of that person and/or any person associated with a person with a disability. 42 U.S.C. § 3604(f)(2)(A),(C); 24 C.F.R. § 100.202.
3. It is unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling unit, that indicates any preference, limitation, or discrimination based on disability, or an intention to make any such preference, limitation or discrimination. 42 U.S.C. § 3604(c); 24 C.F.R. § 100.75.
4. It shall be unlawful to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of his/her having exercised or enjoyed, or on account of his/her having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by Sections 3603, 3604, 3605, or 3606 of this title. 42 U.S.C. § 3617; 24 C.F.R. § 100.400.
5. The Act, at 42 U.S.C. § 3602(h), defines "handicap"² as "(1) a physical or mental impairment which substantially limits one or more of such persons' major life activities, (2) a record of having such an impairment, or (3) being regarded as having such an impairment...."
6. Major life activities include, but are not limited to, "functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working." 24 C.F.R. § 100.201(b).

¹ The Determination found no reasonable cause to believe that Respondents violated 42 U.S.C. § 3604(f)(1)(A) or § 3604(f)(1)(C).

² While federal laws still use the obsolete term "handicap," this Charge uses the term "disability" as interchangeable with "handicap."

B. Parties and Subject Property

7. Complainant [REDACTED] is both physically and mentally disabled, within the meaning of the Act. Complainant [REDACTED] has experienced [REDACTED] all of which cause her to rarely leave her home and substantially impair her ability to carry out many of her major life activities.
8. At all times relevant to this Charge, Complainant [REDACTED] was Complainant Hicks's significant other and was her roommate at the subject property.
9. Complainants are both aggrieved persons as defined by the Act. 42 U.S.C. § 3602(i).
10. At all times relevant to this Charge, Respondent Rockford Villa LLC owned the property located at 8331 Linden Street, Apartment 204, Rockford, Minnesota 55373 ("subject property"). The subject property is a three-level, multifamily apartment complex with 24 units, including 12 two-bedroom apartments, 11 one-bedroom apartments, and one efficiency apartment.
11. Respondent Laurie Holasek is the sole member of Respondent Rockford Villa LLC, and has been the manager of the subject property since she purchased the property in or around 2005. Respondent Holasek is professionally licensed as a mortgage broker and is also the president/owner of Meridian Mortgage, an apartment lending business.
12. Respondent Rachel Stepanek has been employed at the subject property since in or around 2007, and has lived on-site for the past ten years. Respondent Stepanek reports directly to Respondent Holasek. On information and belief, Respondent Stepanek is the "onsite manager" of the subject property. Her job duties at the subject property include showing available apartments, renting out units, and cleaning the building.
13. In or around early 2011, Complainants learned of a vacancy at the subject property from an advertisement posted on the internet website craigslist.com. The advertisement stated that the subject property allowed pets, but did not mention any other restrictions on animals at the subject property. The advertisement also stated that the subject property accepted tenants with credit issues with an additional security deposit.
14. In or around February of 2011, Respondent Stepanek showed the subject property to Complainants. Complainants signed a four-month lease for Apartment 204, from March 1, 2011 until June 30, 2011. Apartment 204 is located on the second floor. Respondent Stepanek informed Complainants that their lease could be extended once the four months expired if they paid their rent on time and did not cause any problems at the subject property.

15. Complainants' lease stated the following, "No Pets without a pet lease, additional deposit, signed Pet Agreement." The lease contains no other restriction upon animals at the subject property.
16. During the HUD investigation, Respondent Stepanek admitted that at the time Complainants applied for the unit, she knew that Complainant had a disability, but was unaware of the nature of her disability.
17. On or about May 19, 2011, Complainant [REDACTED] doctor, Dr. [REDACTED], prescribed an assistance dog for Complainant [REDACTED]. By letter dated May 19, 2011, Dr. [REDACTED] informed Complainant [REDACTED] landlord that "[s]he has severe heart disease that leaves her disabled and an associated mental condition with anxiety." Dr. [REDACTED] also stated in his letter that he prescribed a "companion dog for her anxiety [] to improve her motivation to walk daily."
18. During the investigation, HUD contacted Dr. [REDACTED] who confirmed that Complainant [REDACTED] needed an assistance dog to help improve her "severe heart disease" and "associated mental condition with anxiety." Dr. [REDACTED] further explained that the assistance dog would force Complainant [REDACTED] to "go outside and socialize more" and would "force her to walk which improves her physical and psychological status."
19. After Complainant [REDACTED] was prescribed an assistance dog, Complainant [REDACTED] contacted the Top Dog Foundation ("Top Dog"), a non-profit organization that places older dogs with seniors and those with disabilities, to begin the process of selecting an assistance dog.
20. In or around May 19, 2011, Complainant [REDACTED] spoke with Respondent Stepanek about the subject property's policy for assistance animals. Respondent Stepanek informed Complainant [REDACTED] that only dogs 25 pounds or less were allowed, and they were required to live on the ground level. Respondent Stepanek stated that there was no exception to this rule. During the HUD investigation, Respondent Stepanek admitted that she told Complainant [REDACTED] that dogs were only allowed to reside in ground level units.
21. Between May 19 and May 21, 2011, Complainant [REDACTED] attempted to contact Respondent Stepanek several times to request a reasonable accommodation and to advise Respondent Stepanek that she had a prescription for an assistance dog, but Complainant [REDACTED] was unsuccessful in reaching her. A representative from Top Dog also attempted to contact Respondent Holasek, but received no response.
22. On or about May 22, 2011, Complainant [REDACTED] taped an envelope to Respondent Stepanek's apartment door at the subject property, which contained a May 22, 2011 letter from Complainant [REDACTED] along with her doctor's May 19, 2011 prescription for an assistance dog. In the May 22 letter, Complainant [REDACTED] informed Respondents that numerous attempts were made to contact them regarding her dog and informed

them that she had a prescription for the dog from her doctor. Complainant [REDACTED] also mentioned that she would be obtaining an assistance animal later that day.

23. During the HUD investigation, Respondent Stepanek admitted that she received the May 22, 2011 letter, but denied receiving the enclosures.
24. During the HUD investigation, Respondent Holasek also admitted to having received a letter from Top Dog, stating that Complainant [REDACTED] should be allowed to obtain an assistance dog at the subject property.
25. Later in the day on May 22, 2011, Complainant [REDACTED] adopted a dog named "Haley" from Top Dog. Haley is a white Maltese mix weighing approximately 10 pounds.
26. After receiving the May 22 letter, Respondent Stepanek called Complainant [REDACTED] to repeat her admonition from their previous conversation, that dogs were prohibited from living in second floor apartments. In response, Complainant [REDACTED] explained that the pet policy should not apply to her dog because it was not a "pet," but an assistance animal. Upon information and belief, Respondent Stepanek then told Complainant [REDACTED] that her option was to move to the first floor when a unit became available and that she would have to sign a pet agreement and pay a pet deposit, or words to that effect.
27. During the HUD investigation, Respondent Stepanek admitted that Complainant [REDACTED] told her that she needed the dog for her disability.
28. On or about May 22, 2011, Respondent Stepanek contacted Respondent Holasek by telephone to inform Respondent Holasek of the May 22 letter and to inform her that Complainants had obtained a dog. During the HUD investigation, Respondent Stepanek stated that, in this conversation, she told Respondent Holasek that Complainant [REDACTED] had informed her that the dog was for Complainant [REDACTED] disability.
29. The following day, on or about May 23, 2011, Respondent Holasek called Complainant [REDACTED] and told her that a doctor's note was insufficient to permit her to live with a dog in a second floor unit. Respondent Holasek also stated that Complainants' lease would not be extended and then said, "[y]ou're out of here by the end of the month," or similar words to that effect, and then hung up the phone.
30. That same day, on or about May 23, 2011, Complainants received a letter from Respondent Holasek. The May 23 letter states, in relevant part, "Your lease expires June 30th, 2011 [*sic*]. This letter is to let you know we do not intend to renew. You need to be out of the apartment be [*sic*] noon on the 30th. Please have the apartment clean and return the keys to the caretaker, Rachel."

31. Prior to the May 23, 2011 non-renewal notice being issued, Complainants had paid their rent timely and had not been notified of any complaints made against them by any tenants or management.
32. At no time during Complainants' tenancy did Respondents ask to discuss Complainant [REDACTED] disability-related need for the requested accommodation, nor challenge Complainant [REDACTED] disability.
33. On or about May 26, 2011, Complainants hand-delivered a letter to Respondent Holasek. The letter stated that the non-renewal notice was retaliatory and discriminatory, and it also stated that because Complainant [REDACTED] was physically and mentally disabled, she had the right to continue living with her assistance dog in her apartment.
34. On information and belief, and based on admissions made to HUD by Respondent Holasek, there were no first floor units available for rent at the subject property at the time that Complainant [REDACTED] obtained her assistance animal. Respondent Holasek also admitted to the HUD investigator that, even had there been a first floor unit available, she would have charged Complainant a "pet" deposit, and made her execute a "pet" agreement for her assistance animal, even though it was not a pet.
35. According to Complainant [REDACTED] when he handed the May 26, 2011 letter to Respondent Holasek, she dismissed the letter and stated, "you're still out of here," or similar words to that effect.
36. On June 2, 2011, Complainant [REDACTED] filed the complaint that gave rise to this Charge.
37. On or about June 6, 2011, four days after the HUD complaint was filed, Complainants received a letter from Respondent Holasek that stated, "[a]fter talking to my attorney, I have decided to cancel my non renewal of lease."
38. On or about June 10, 2011, Complainants received a general notice under their apartment door that was issued to all tenants and was entitled "pet policy reminder." The June 10, 2011 notice stated, in relevant part, "Do not let your dog pee on another tenants [sic] open window. If this happens again, the tenant with [the] little white dog will be asked to leave" and after two violations, the violator "will be evicted." Respondent Stepanek admitted that Respondent Holasek distributed the aforementioned notice to all tenants. Respondent Holasek admitted that the dog referenced in the notice was Complainant [REDACTED] dog. On information and belief, Complainant [REDACTED] was the only tenant with a little white dog.
39. On June 30, 2011, Complainants' four-month lease expired. Because Respondent Holasek had withdrawn the non-renewal of lease notice and Respondents did not give Complainants a new lease to sign, Complainants assumed that they could continue to live in their apartment under a month-to-month lease.

40. On or about August 8, 2011, Complainants vacated the subject property because Complainant [REDACTED] had lost his job, and they could no longer afford to live at the subject property.

C. Fair Housing Act Violations

41. When Respondents rejected Complainant [REDACTED] reasonable accommodation request to live in her second floor unit with an assistance animal, knowing that Complainant [REDACTED] was disabled and had expressed a disability-related need for the assistance animal, Respondents denied Complainants an equal opportunity to use and enjoy their dwelling in violation of 42 U.S.C. § 3604(f)(3)(B).
42. When Respondents refused to provide Complainant [REDACTED] with a reasonable accommodation by failing to modify the subject property's pet policy, Respondents imposed discriminatory terms, conditions or privileges upon Complainants' rental of a dwelling based on disability, in violation of 42 U.S.C. § 3604(f)(2)(A), (C).
43. When Respondents made discriminatory statements to Complainants, including asserting that all dogs –including assistance animals – were prohibited from living in second floor apartments; informing Complainants that there was no exception to the rule prohibiting dogs from living above the ground floor; stating that Complainant [REDACTED] doctor's note was insufficient to permit her to live with a dog in a second floor unit; notifying Complainants that they were required to sign a "pet" agreement and pay a "pet" deposit for the assistance animal; and stating that Complainants would have to move to the first floor with their dog, Respondents communicated to Complainants a preference, limitation or discrimination, or an intention to make such a preference, limitation or discrimination, based on disability in violation of 42 U.S.C. § 3604(c).
44. When Respondents issued Complainants a notice that their lease would not be extended, just one day after Complainant [REDACTED] obtained her assistance animal, Respondents interfered with Complainants' housing, and retaliated against Complainants for exercising Complainant [REDACTED] fair housing right to request and receive a reasonable accommodation, in violation of 42 U.S.C. § 3617.
45. When, after Complainants filed their HUD complaint, Respondents issued to all tenants a notice suggesting that a dog matching the description of Complainant [REDACTED] dog had committed an unseemly act and threatened to evict the owners of that dog for further "violations," Respondents retaliated, harassed, interfered with and/or intimidated Complainants on account of their exercise of Complainant [REDACTED] right to request and receive a reasonable accommodation and to file a fair housing complaint, in violation of 42 U.S.C. § 3617.
46. Complainant [REDACTED] and her roommate and significant other, Complainant [REDACTED] "aggrieved persons" within the meaning of 42 U.S.C. § 3602(i), have suffered damages as the result of Respondents' discriminatory conduct, as described above,

including, but not limited to, embarrassment, humiliation, inconvenience, frustration, and emotional distress.

47. Complainants were both frustrated as they took the appropriate steps in seeking a reasonable accommodation for Complainant [REDACTED] by obtaining medical documentation and attempting to contact both Respondents, although unsuccessfully, prior to bringing an assistance animal home.
48. As a result of Respondents' discriminatory conduct, Complainant [REDACTED] became distressed when she was told her assistance animal could not reside with her on the second floor and was told by Respondent Holasek, "[y]ou're out of here by the end of the month." Complainant [REDACTED] was overwhelmed and "terrified" at the thought of having to move immediately and at the thought of losing Haley. After Respondents informed Complainant [REDACTED] that she could not have a "pet" on the second floor and that a doctor's letter was insufficient, Complainant [REDACTED] was "devastated" and became very emotional. Complainant [REDACTED] was very "upset" and "worried" she would not be able to keep Haley. Moreover, Complainant [REDACTED] also felt that because she did not have a "visible" disability, she was being singled out and "picked on" by Respondents and being judged by them based on her mental disability.
49. After Respondents issued the June 10, 2011 pet policy reminder notice to all the tenants, Complainants were very "uncomfortable" living at the subject property as they felt "singled" out by Respondent Holasek's letter identifying them to all their neighbors as the owners of the "little white" dog. In addition, Complainant [REDACTED] felt "paranoid" that she was being watched by Respondents so that they could find something wrong and evict Complainants. Complainant [REDACTED] felt that her neighbors began judging her, as well, which made it even more difficult for Complainant [REDACTED] to socialize with her neighbors.
50. Complainant [REDACTED], specifically, was "angry" and "upset" about the entire situation. He felt distressed observing Complainant [REDACTED] who became emotional, cried frequently about the situation, lost sleep and had a change in appetite. It was very hard for him to watch Complainant [REDACTED] become emotional. Complainant [REDACTED] was also "scared" and "worried" about Complainant [REDACTED] because each time she became anxious about the situation, her blood pressure would increase, which was not safe for Complainant [REDACTED]'s heart condition. Complainant [REDACTED] felt as though he were in a "nightmare," and worried because Complainant [REDACTED] was already in "rough shape" before obtaining her assistance animal and Respondents' discriminatory conduct "just made it worse."

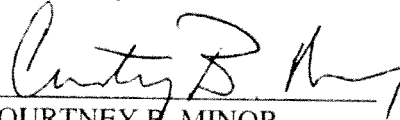
III. CONCLUSION

WHEREFORE, the Secretary of the United States Department of Housing and Urban Development, through the Regional Counsel, Region V, and pursuant to 42 U.S.C. § 3610(g)(2)(A) of the Act, hereby charges Respondents Rockford Villa LLC, Laurie Holasek and Rachel Stepanek with engaging in discriminatory housing practices in violation of 42 U.S.C. §

3604(f)(3)(B), §3604(f)(2)(A), §3604(f)(2)(C), §3604(c) and §3617 and requests that an Order be issued that:

1. Declares that the discriminatory housing practices of Respondents, as set forth above, violate the Fair Housing Act, as amended, 42 U.S.C. §§ 3601, *et seq.*;
2. Enjoins Respondents, their agents, employees, and successors, and all other persons in active concert or participation with any of them, from discriminating because of disability, against any person in any aspect of the rental or sale of a dwelling;
3. Awards such monetary damages as will fully compensate Complainants Hicks and Garrity;
4. Assesses a civil penalty against each Respondent for violation of the Act, pursuant to 42 U.S.C. § 3612(g)(3) and 24 C.F.R. § 180.671; and
5. Awards any additional relief as may be appropriate, pursuant to 42 U.S.C. § 3612(g)(3).

Respectfully submitted,



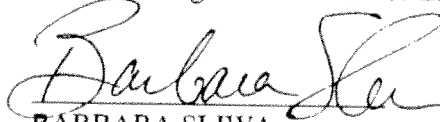
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